



Mesaieed Petrochemical Holding Company

IR Presentation

30 September 2022

“one of the region’s premier diversified petrochemical conglomerates with interests in the production of olefins, polyolefins, alpha olefins and chlor-alkali products”

Disclaimer

The companies in which Mesaieed Petrochemical Holding Company Q.P.S.C. directly and indirectly owns investments are separate entities. In this presentation, “MPHC” and “the group” are sometimes used for convenience in reference to Mesaieed Petrochemical Holding Company Q.P.S.C.

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There are a number of factors that could affect the realisation of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the group’s products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this presentation are made as of the date of this presentation.

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GENERAL NOTES

Mesaieed Petrochemical Holding Company’s accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Mesaieed Petrochemical Holding Company’s share. Values expressed in US \$’s have been translated at the rate of US \$1 = QR3.64.

DEFINITIONS

Cash Realisation Ratio: $\text{Cash Flow From Operations} / \text{Net Profit} \times 100$ • Debt to Equity: $(\text{Current Debt} + \text{Long-Term Debt}) / \text{Equity} \times 100$ • Dividend Yield: $\text{Total Cash Dividend} / \text{Closing Market Capitalisation} \times 100$ • EDC: Ethylene Dichloride • EPS: Earnings per Share (Net Profit / Number of Ordinary Shares outstanding at the year end) • EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation • Free Cash Flow: $\text{Cash Flow From Operations} - \text{Total CAPEX}$ • HCL: Hydrochloric Acid • HDPE: High Density Polyethylene • NAO: Normal Alpha Olefins • NaOH: Caustic Soda • MT / PA: Metric Tons Per Annum • Payout Ratio: $\text{Total Cash Dividend} / \text{Net Profit} \times 100$ • P/E: Price to Earnings (Closing market capitalisation / Net Profit) • Utilisation: $\text{Production Volume} / \text{Rated Capacity} \times 100$ • VCM: Vinyl Chloride Monomer

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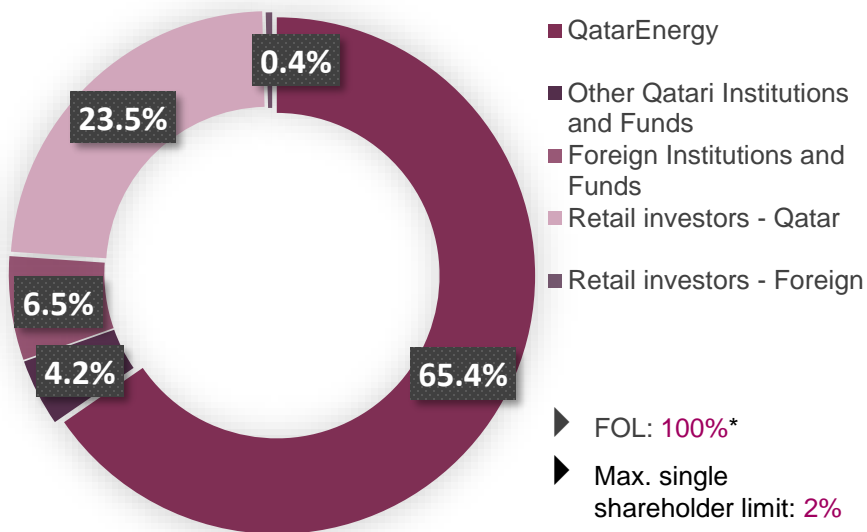
About MPHC

MPHC at a glance

Overview

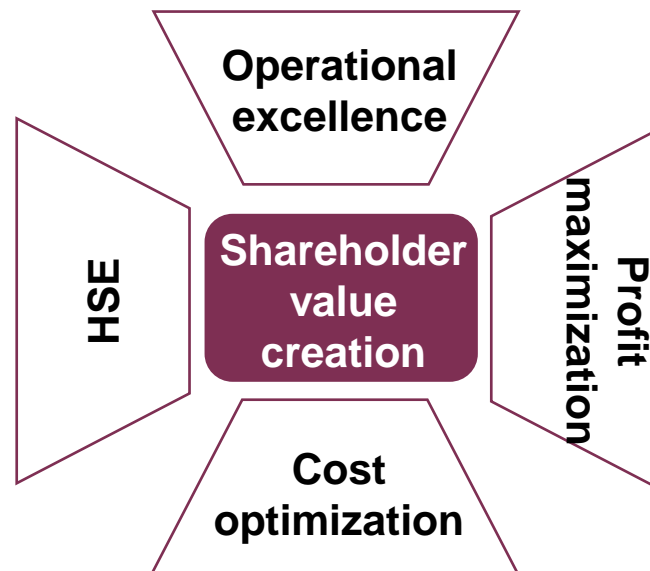
- Mesaieed Petrochemical Holding Company Q.P.S.C. (“MPHC” or “the Group”; QE ticker: MPHC) was incorporated on May 29, 2013 and was listed on the Qatar Stock Exchange on February 26, 2014.
- MPHC is among top 10 companies at Qatar Exchange by Market Capitalization.
- QatarEnergy provides most head office functions through a comprehensive service-level agreement.
- The operations of joint ventures remained independently managed by their respective Boards of Directors and senior management teams.

MPHC’s shareholding structure



Note: Shareholder data as of 30-Sep-22

Core values



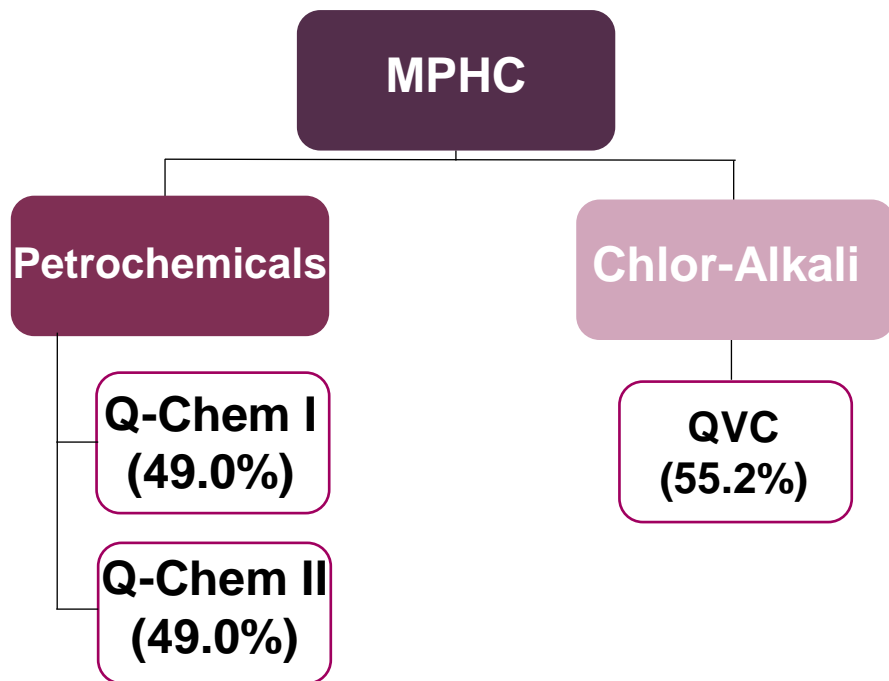
* Board of Directors approved to increase the FOL to 100%. Council of Ministers approval received; all necessary measures will be taken in this regard with the relevant concerned authorities.



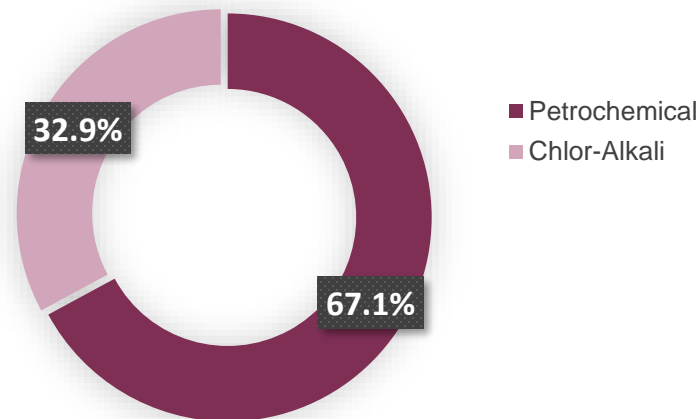
MPHC business segments at a glance

Business segments overview

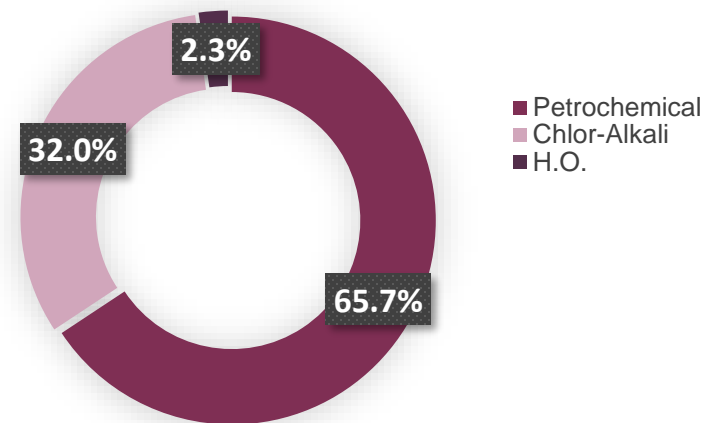
- Through its joint ventures companies, MPHC operates in **two** distinct business segments: **Petrochemical** and **Chlor-Alkali**;
- Production facilities are principally located in the State of Qatar.



Segments size by Revenue



Segments size by Net Profits



* All the investments in operating companies is in the form of Joint venture stake

Note: Revenue and net profit data as of 30-Sep-22



Competitive strengths

Competitive strengths

Low cost producer

- Assured feedstock supply
- Economies of scale and operationally diversified
- Synergy benefits

Strong financial position

- Solid liquidity position
- Strong cash flow generation with stable EBITDA margins
- Sound dividend record

Market leadership

- One of the region's premier diversified petrochemical conglomerates
- Dedicated marketing support in form of Muntajat

Experienced team

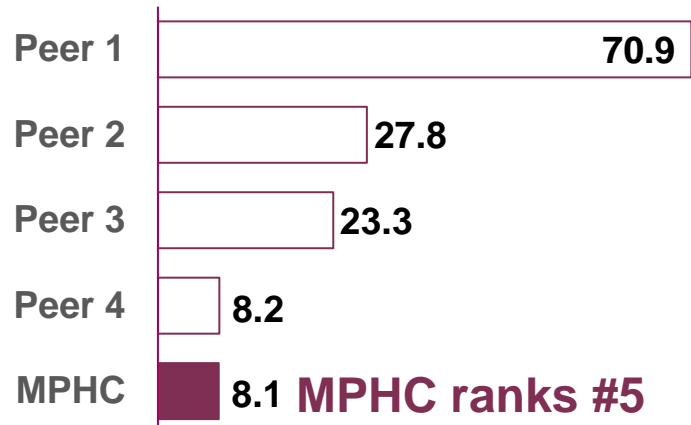
- Industry experts in the senior management team
- Reputable JV partners

Regional peers review

MPHC ranked #80 among
“2022 Forbes List of Top 100 Listed Companies in the Middle East”

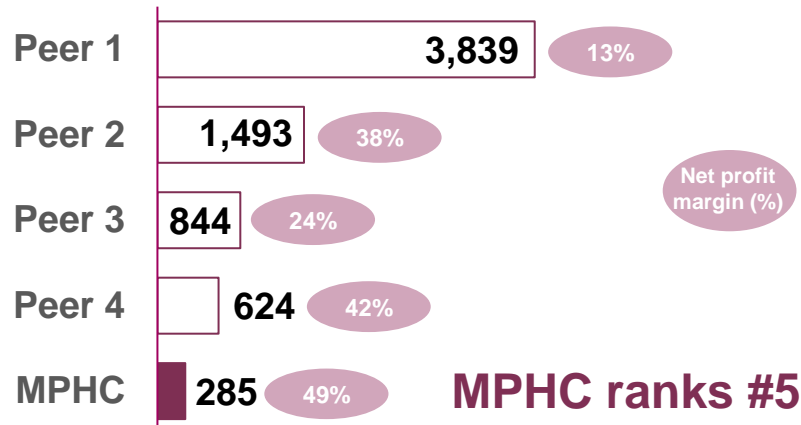
Competitive positioning versus regional peers

Market Cap. (USD' billion)



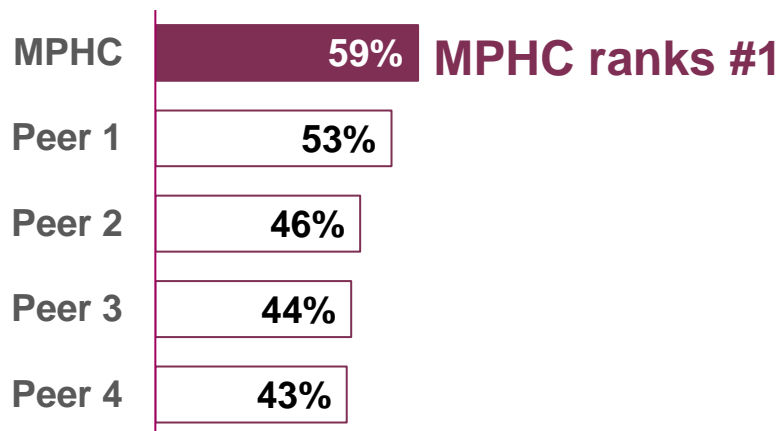
Note: Data as of 30-Sep-22

Net profit (USD' million)



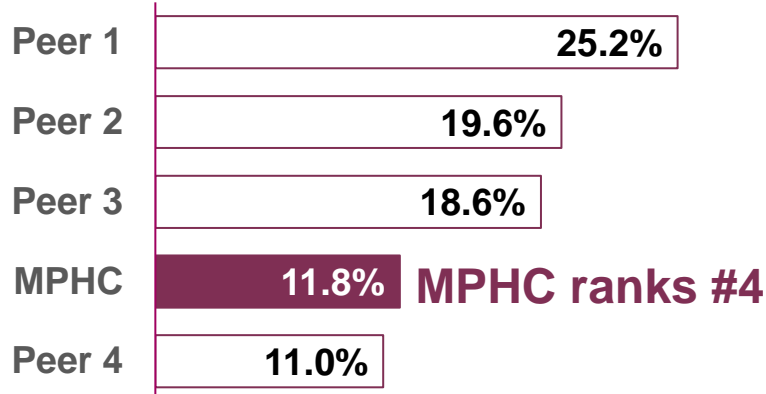
Note: Data as of 1H-22

EBITDA Margins (%)



Note: Data as of 1H-22

ROA (%)



Note: Data as of 1H-22

Return on Assets (ROA): TTM net earnings / Av. Total Assets

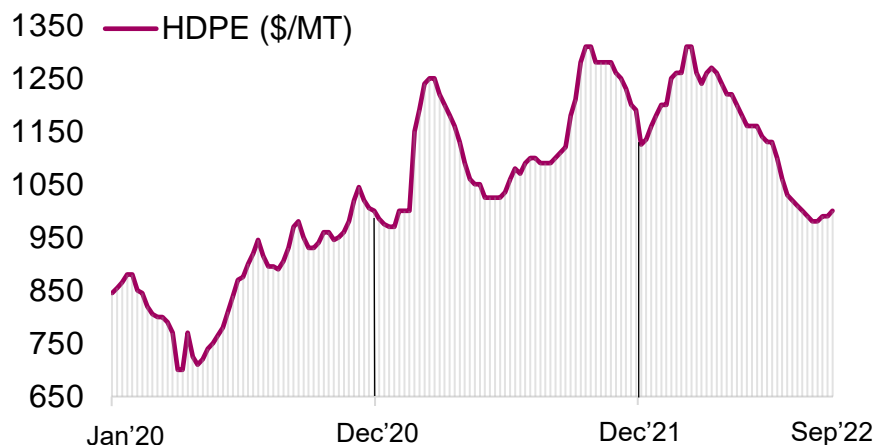
10 Note: Regional peers data include all listed companies in MENA region involved in production of petrochemicals and specialty chemicals, excl. fertilizers.



Macroeconomic updates

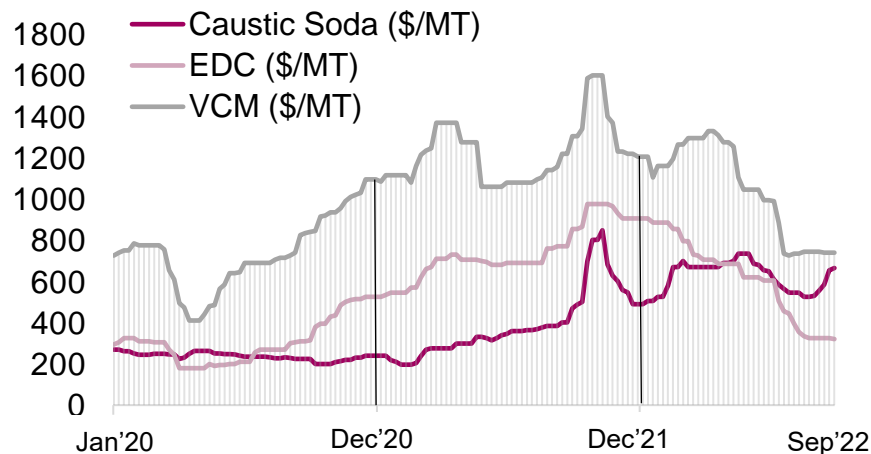
Macroeconomic updates

Petrochemicals



- Prices for PE declined sequentially on account of cautious demand linking to macro-headwinds, coupled with comparatively lower crude prices. However, year-on-year price trends continue to remain strong.

Chlor-Alkali



- During 2022, prices for most of MPHC's basket of chlor-alkali products demonstrated essentially balanced to bearish trends due to macroeconomic volatilities. However, year-to-date price trajectories continue to remain positive on strength carried forward from latter part of last year.

MPHC results

(For the nine-month period ended 30 September 2022)

9M-22 results at a Glance

Growth vs. 9M-21

Revenue  3%
QR 3.1 billion

EBITDA  2%
QR 1.8 billion

Net profit  2%
QR 1.5 billion

EBITDA Margin: 57%

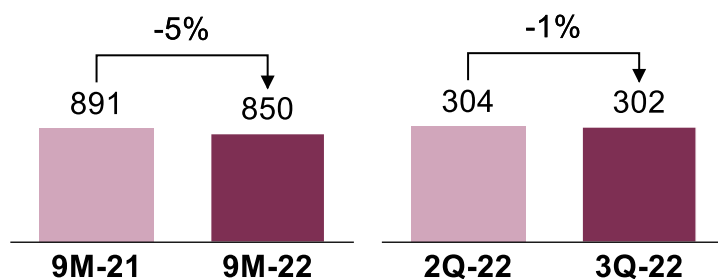
EPS: QR 0.117 RoAE: 11.2%

- Year-to-date results reflected constructive product price momentum from last year, however, macroeconomic headwinds weighed on third quarter results sequentially.
- Robust liquidity position with closing cash and bank balances amounting to QR 4.0 billion as of 30 September 2022.



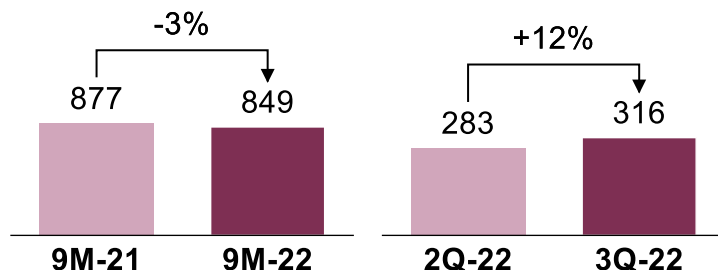
Operational performance review

Production (MT' 000)



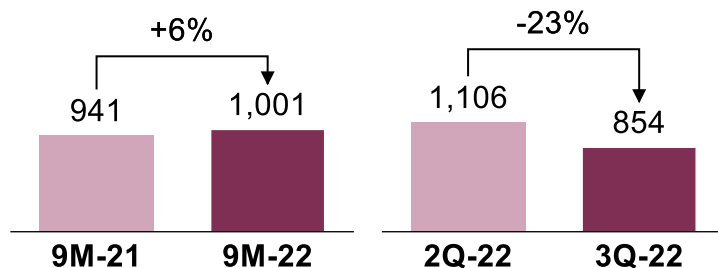
- 9M-22 vs 9M-21: production volumes declined on a year-on-year basis, mainly due to a largescale turnaround carried out at Q-Chem facilities during 1Q-22.
- 3Q-22 vs 2Q-22: Production volumes slightly declined on a quarter-on-quarter basis due to marginal decline to plant utilization rates.

Sales volume (MT' 000)



- 9M-22 vs 9M-21: sales volumes declined on a year-on-year basis, mainly driven by lowered plant operating rates, amid large scale turnaround carried at Q-Chem facilities during 1Q-22.
- 3Q-22 vs 2Q-22: sales volumes increased by 12% versus 2Q-22, where both segments reported growth in sales volumes on a quarter-on-quarter basis.

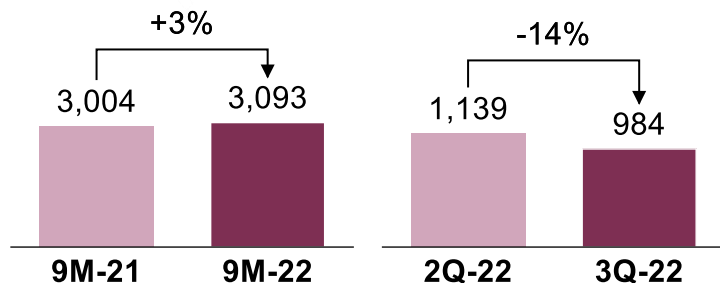
Selling prices (\$/MT)



- 9M-22 vs 9M-21: year-on-year price trajectories continue to remain elevated underpinned by constructive macro-drivers carried forward from latter of last year.
- 3Q-22 vs 2Q-22: quarter-on-quarter prices declined amid macroeconomic uncertainties weighing on commodity markets.

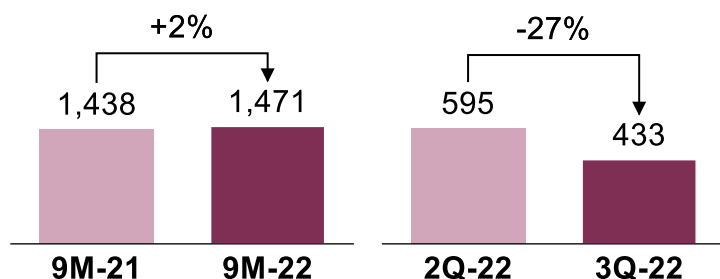
Financial performance review

Revenue (QR' million)



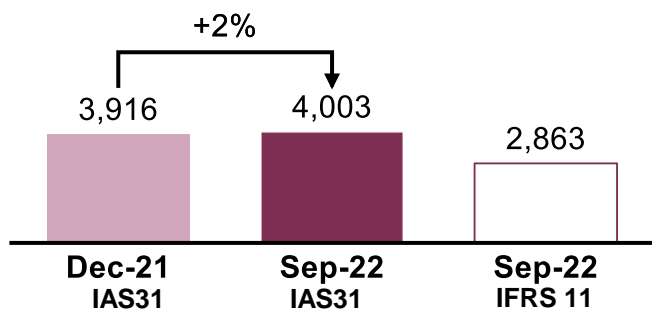
- 9M-22 vs 9M-21: revenue improved by 3% mainly due to higher selling prices, partially offset by lowered sales volumes.
- 3Q-22 vs 2Q-22: revenue declined by 14% on a quarter-on-quarter basis, due to lower selling prices, partially offset by higher sales volumes.

Net profit (QR' million)



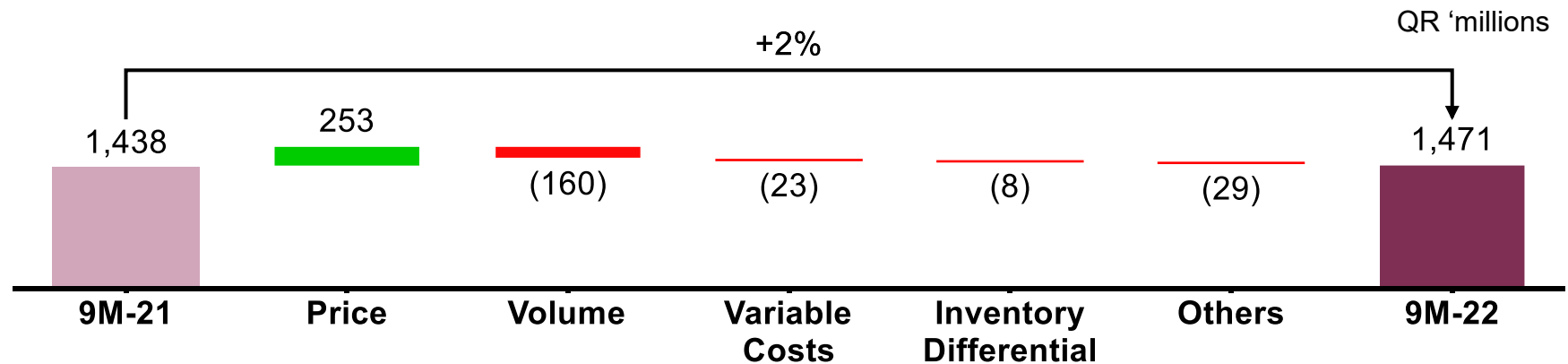
- 9M-22 vs 9M-21: Year-on-year results reflected constructive product price momentum carried forward from latter part of last year.
- 3Q-22 vs 2Q-22: Quarter-on-quarter results declined on account of lower revenues.

Cash & bank balances (QR' million)



- MPHC's share of cash and bank balances declined from last year, due to dividend payment made for FY 2021, partially offset by positive cash flow generation during 9M-22.

Net Profit Variance Analysis



Net profits increased by **QR 33 million** due to:

Favorable variance

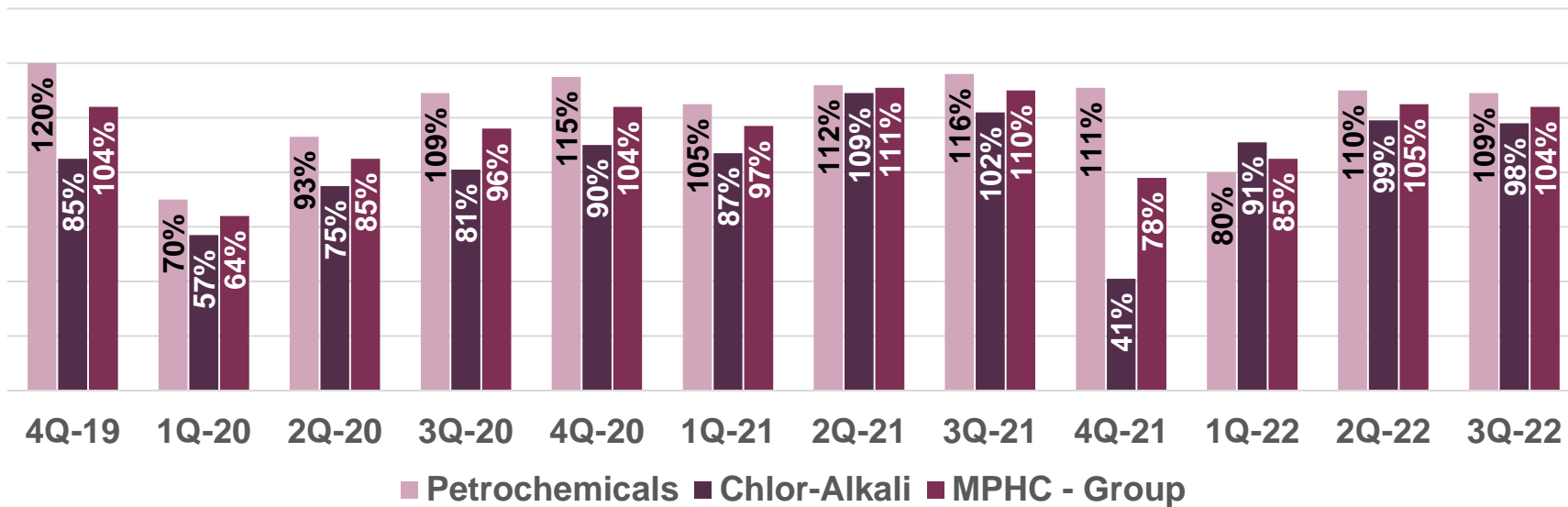
- Higher selling prices +6%;

Unfavorable variance

- Lowered sales volumes -3%;
- Slightly higher variable costs on account of higher prices partially offset by lowered volumes;
- Unfavorable inventory differential due to higher drawdowns;
- Other expenses are higher primarily on account of increase in utilities and selling expenses.

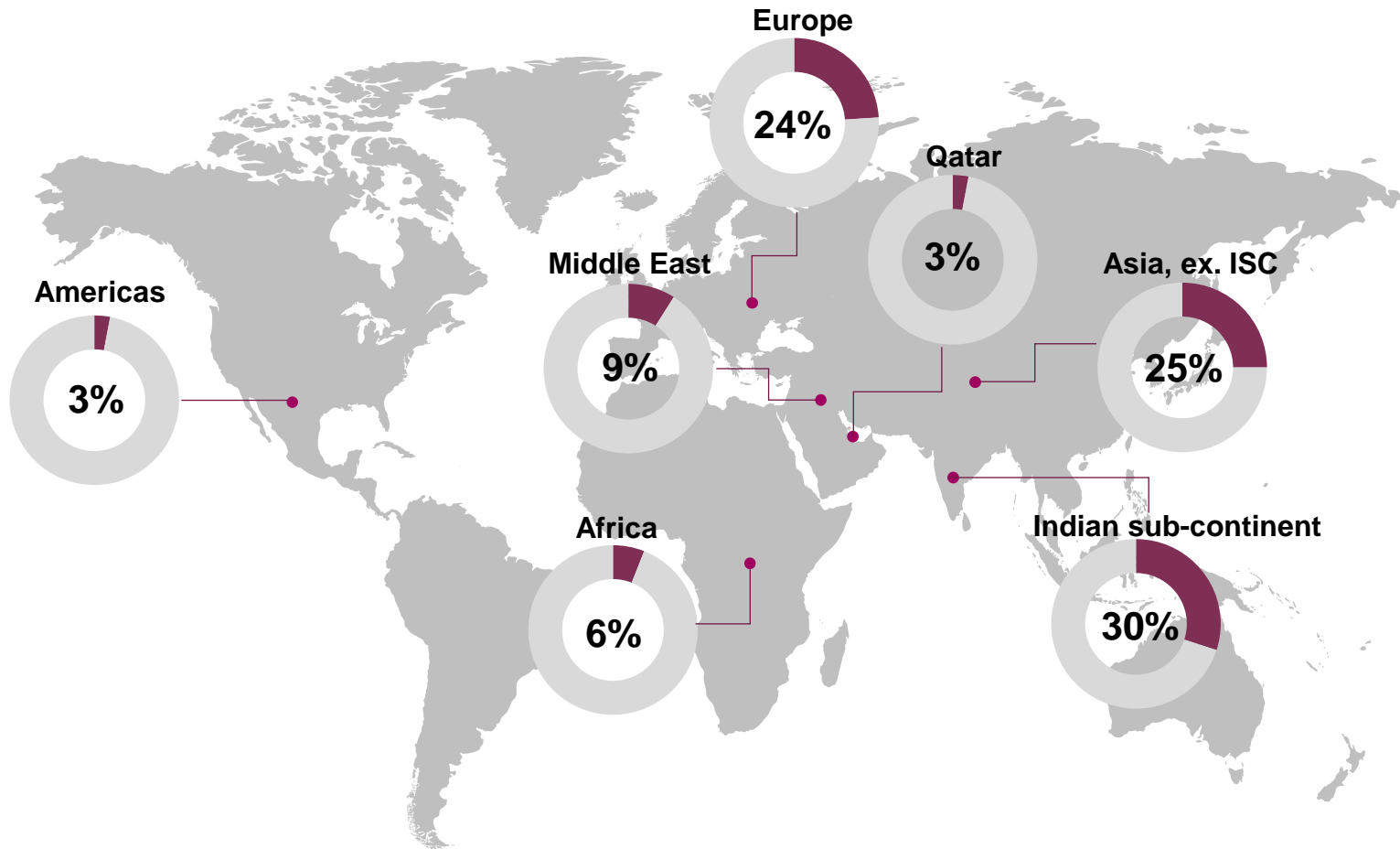
MPHC operating rates

Operating rates of MPHC segments remained stable



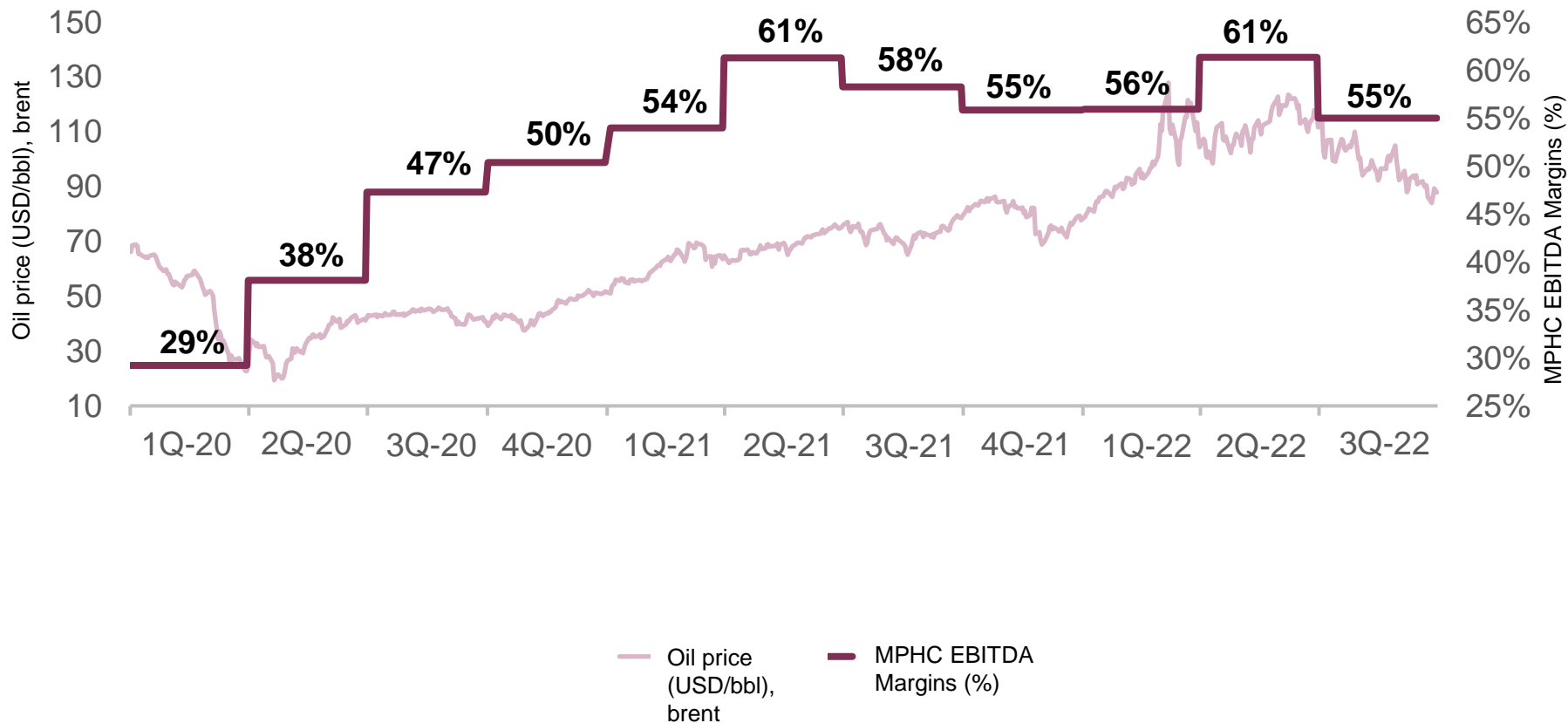
Geographic analysis – MPHC Group revenue

Asia including ISC remained MPHC's largest market, while its presence in Europe continued to be substantial



Robust EBITDA margins

Despite the volatile trends in commodity prices, MPHC's EBITDA margins continue to remain robust



Segmental results

(For the nine-month period ended 30 September 2022)

Segmental Details: Petrochemicals

- **Q-Chem** and **Q-Chem II** are both owned 49% by MPHC, 49% by Chevron Phillips Chemical International Qatar Holdings L.L.C., and 2% by QatarEnergy;
- **Q-Chem II** also has an effective ownership of 53.85% in **Ras Laffan Olefins Company Limited** which owns an ethane cracker which provides ethylene feedstock to Q-Chem II;
- The companies in the segment are engaged in the production of a range of petrochemical products including:
 - **HDPE**: 397,000 MT PA (MPHC share);
 - **NAO**: 169,000 MT PA (MPHC share);
- All production facilities are based within the State of Qatar.

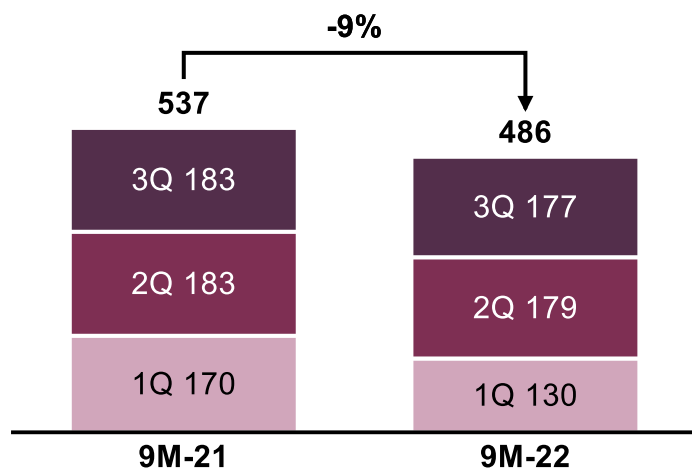


Segmental Details: Petrochemicals

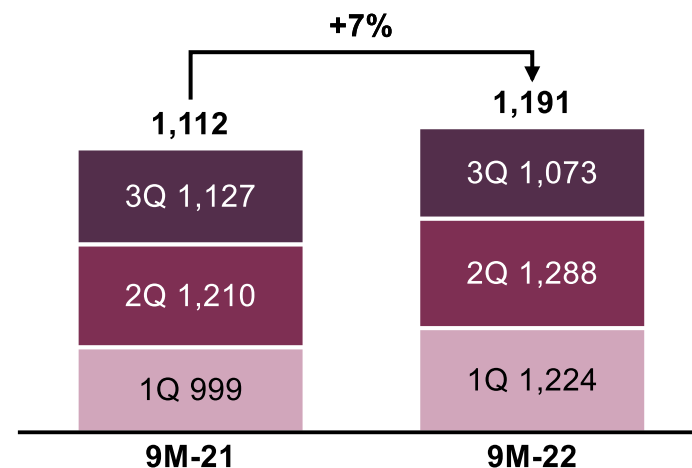
Analysis of production & selling prices

- Production:** Production down by **9%** compared to 9M-21, as the segment had a planned periodic largescale turnaround at Q-Chem facilities during 1Q-22, which affected the overall operating rates for 9M-22 in comparison to 9M-21;
 - Production marginally declined by **1%** during 3Q-22 in comparison to 2Q-22, linked to marginal dip in plant operating rates.
- Selling Prices:** increased as compared to 9M-21 by **7%**, on account of continued momentum from positive macro-drivers carried from the latter part of last year.
 - Selling prices decreased by **17%** during 3Q-22 compared to 2Q-22, mainly on account of decline in average selling prices primarily driven by a general decline in the global petrochemical prices, amid macroeconomic challenges.

Production (MT' 000)



Selling prices (\$/MT)

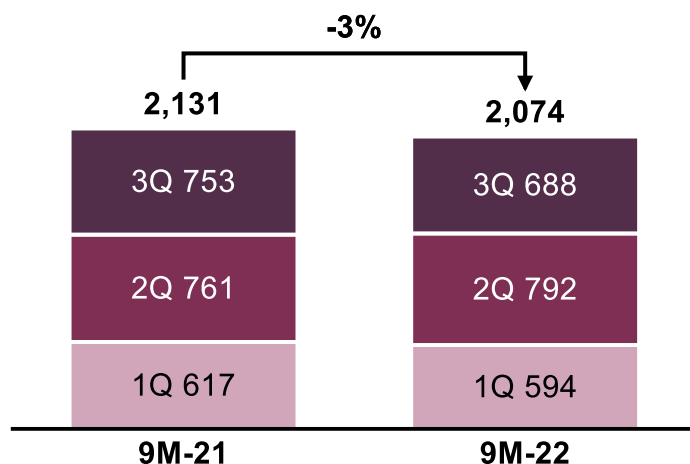


Segmental Details: Petrochemicals

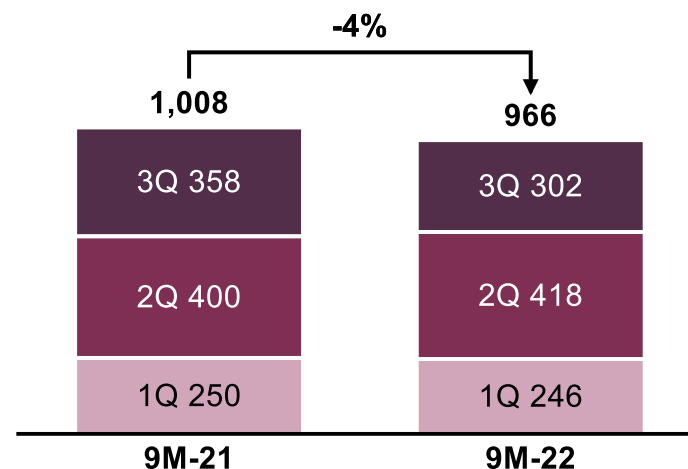
Analysis of segment revenue & net profit

- **Revenue:** QR 2.1 billion, down by 3% as compared to 9M-21 mainly due to lower sales volumes (-9%) which was mostly offset by the positive impacts of higher selling prices (+7%);
 - 3Q-22 revenue declined by 13% compared to 2Q-22 mainly on the back of lower selling prices (-17%), which was partially offset by higher sales volumes (+4%).
- **Net profit:** QR 966 million, marginally down by 4% as compared to 9M-21, primarily driven by fall in segmental revenue.
 - 3Q-22 net profit declined by 28% compared to 2Q-22, mainly due to decline in revenue for the segment.

Revenue (QR' million)



Net profit (QR' million)

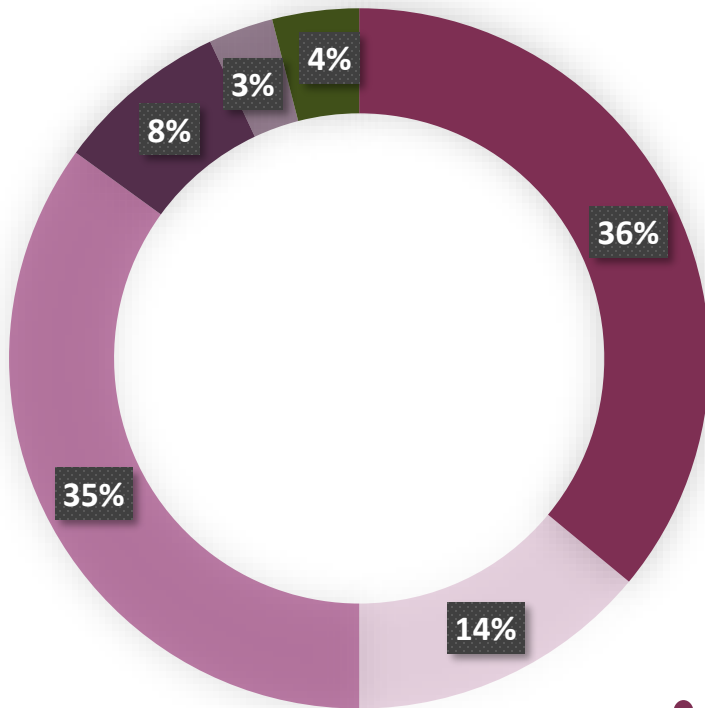


Segmental Details: Petrochemicals

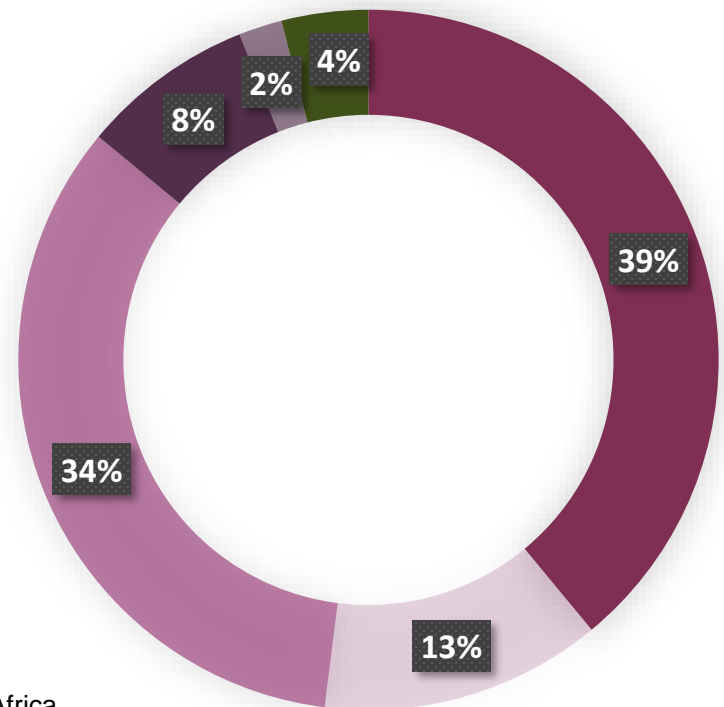
Geographical analysis of segment revenue

- Asia & Europe remains a main market for Petrochemical segment

9M-22 Segment Revenue (%)



9M-21 Segment Revenue (%)



- Asia, excl. ISC
- Indian sub-continent
- Europe
- Africa
- Middle East
- Qatar

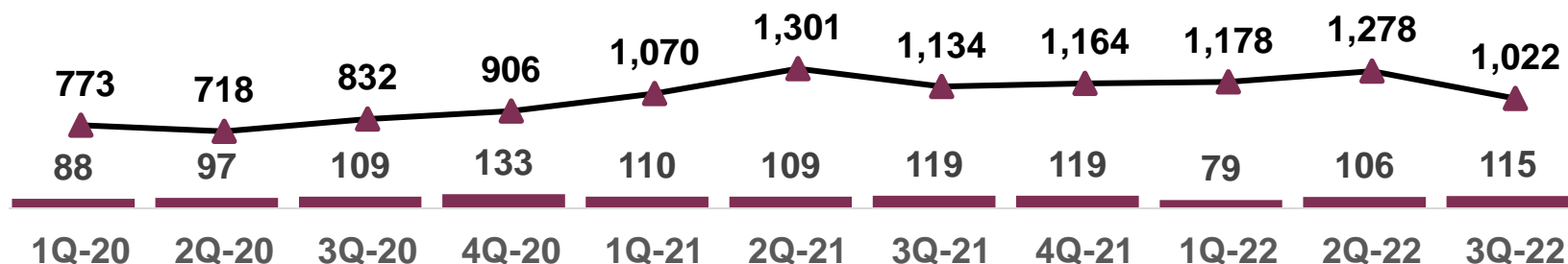


Segmental Details: Petrochemical

Key segment products analysis

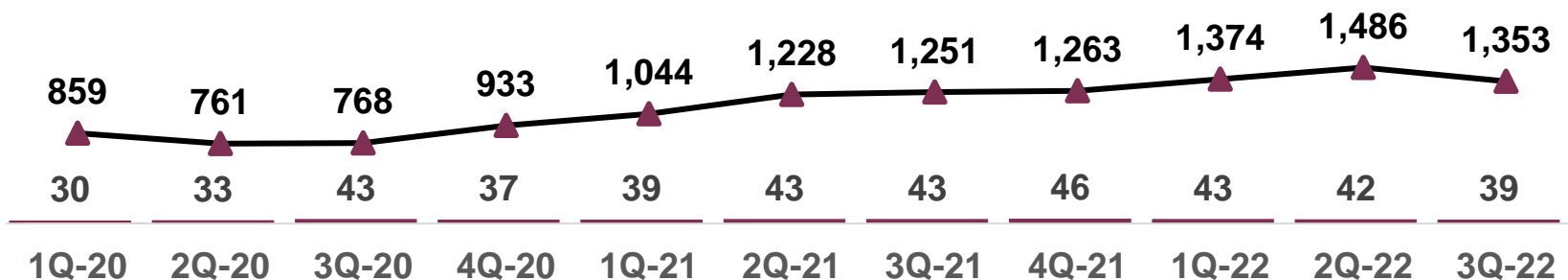
HDPE

(contributed ~61% of the segment revenue in 9M-22)



NAO

(contributed ~31% of the segment revenue in 9M-22)



- Sales volumes predominantly improved since Q-Chem's largescale turnaround carried out during 1Q-22.
- Commodity prices trended downwards during 3Q-22 mainly due to cautious approach from buyers and challenging macroeconomic climate.



Segmental Details: Chlor-Alkali

- Qatar Vinyl Company Limited Q.S.C. (“QVC”) is owned 55.2% by MPHC, 31.9% by Qapco and 12.9% by QatarEnergy;
- QVC’s operations have been integrated with Qapco, bringing additional synergies to the group.
- The segment is engaged in the production of a range of chlor-alkali products
 - **Caustic Soda:** 215,000 MT PA (MPHC share);
 - **Ethylene Dichloride (“EDC”):** 110,000 MT PA (MPHC share);
 - **Vinyl Chloride Monomer (“VCM”):** 215,000 MT PA (MPHC share);
- All production facilities are based within the State of Qatar.

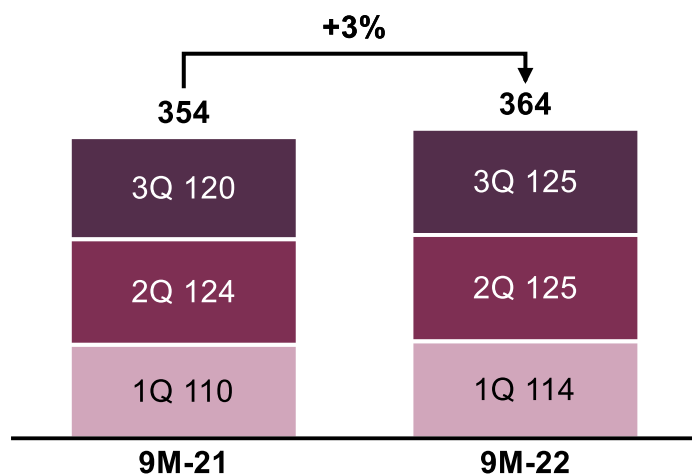


Segmental Details: Chlor-Alkali

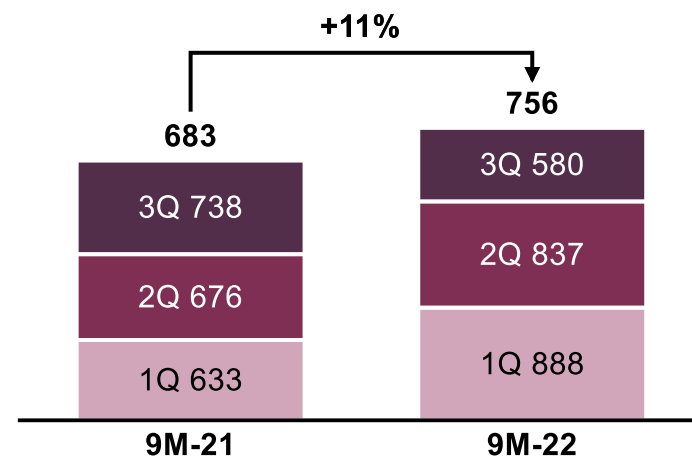
Analysis of production & selling prices

- Production:** Production marginally increased by **3%** as compared to 9M-21;
 - Production remained flat versus 2Q-22.
- Selling Prices:** improvement in blended average selling prices, which increased by **11%** versus 9M-21, complemented by continued strength from end-product industries (alumina/ aluminium, PVC, etc).
 - Selling prices during 3Q-22 declined by **31%** compared to 2Q-22. Negative movement in selling prices was mainly due to lower prices across the segment's product line, amid lowered end-product prices.

Production (MT' 000)



Selling prices (\$/MT)

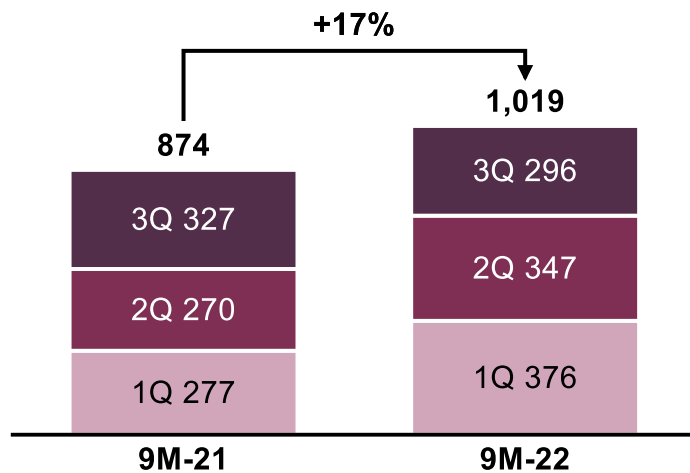


Segmental Details: Chlor-Alkali

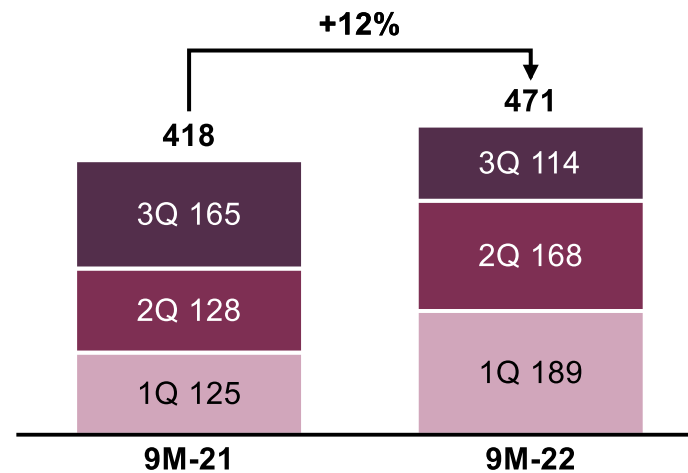
Analysis of segment revenue & net profit

- **Revenue:** QR 1.02 billion, up by 17% as compared to 9M-21 due to higher product prices (+11%) along with better sales volumes (+5%);
 - Revenue for 3Q-22 declined by 15% compared to 2Q-22, mainly on the back of lower selling prices (-31%). This was partially offset by a sequential growth noted in sales volumes (+23%).
- **Net profit:** QR 471 million significantly up by 12% as compared to 9M-21. Growth in profitability was mainly attributed to improvement in blended average selling prices.
 - Net profit declined by 32% versus 2Q-22, on account of lower segmental revenue.

Revenue (QR' million)



Net profit (QR' million)

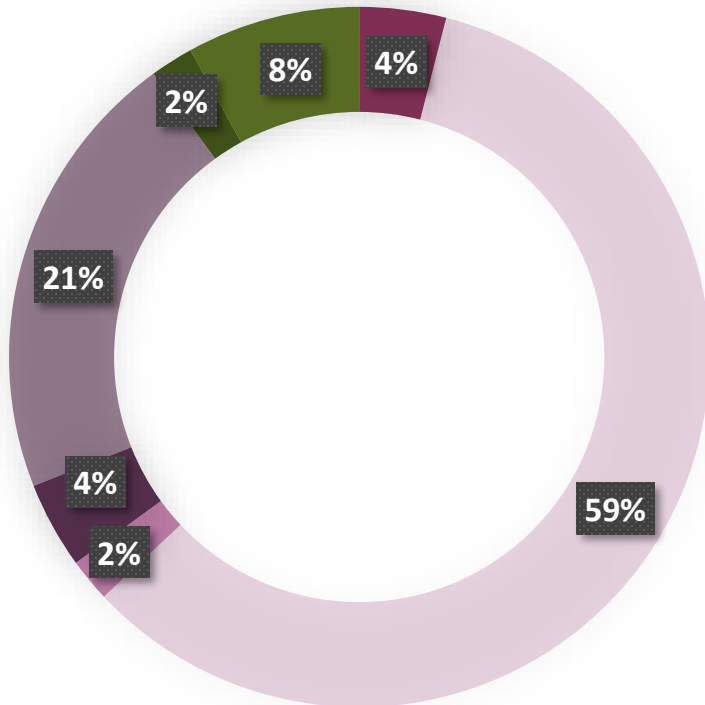


Segmental Details: Chlor-Alkali

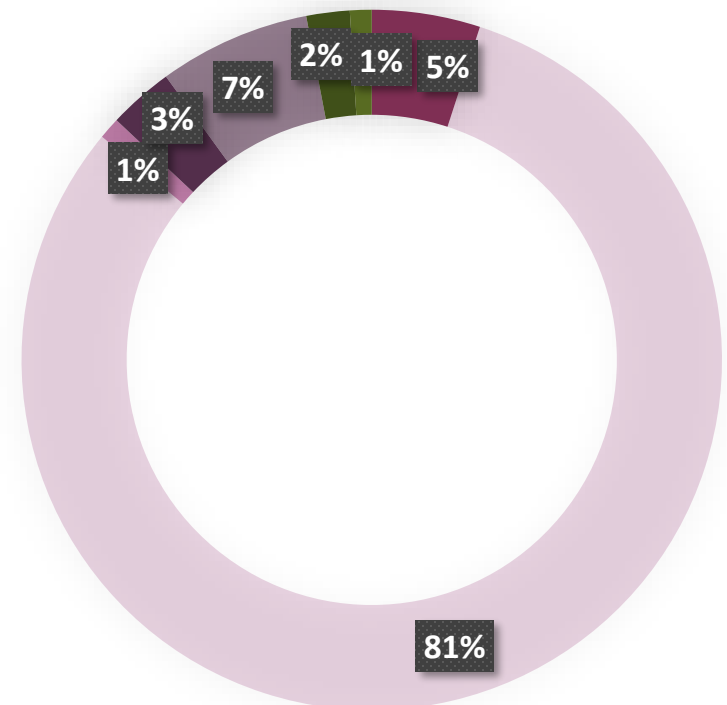
Geographical analysis of segment revenue

- Indian sub-continent remain a main market for Chlor-Alkali segment

9M-22 Segment Revenue (%)



9M-21 Segment Revenue (%)



- Asia, excl. ISC
- Africa
- North America
- Indian sub-continent
- Qatar
- Europe
- Middle East

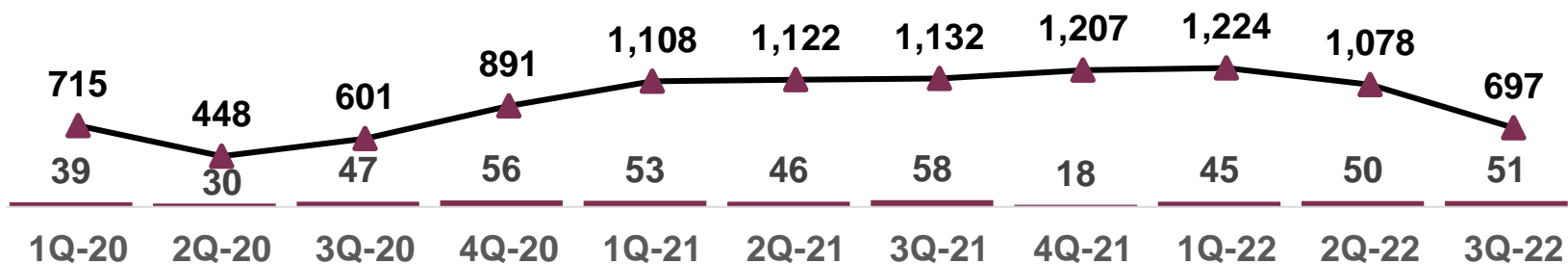


Segmental Details: Chlor-Alkali

Key segment products analysis

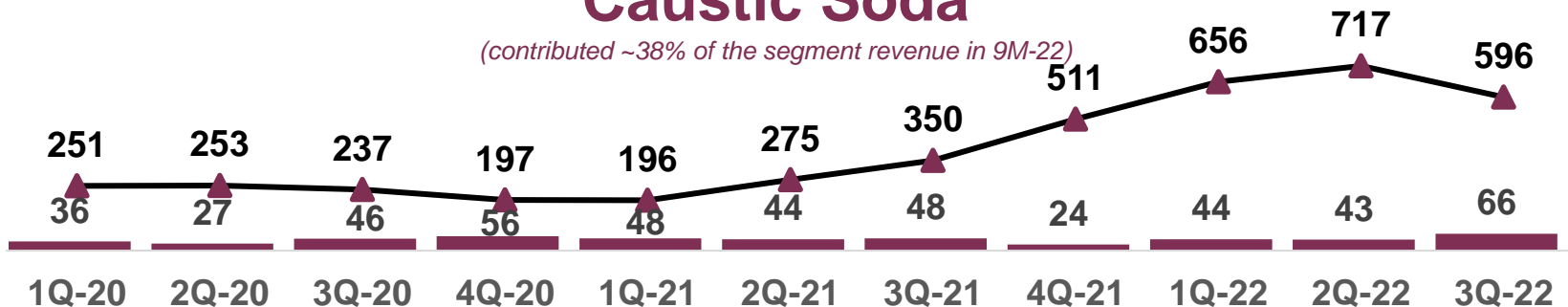
Vinyl Chloride Monomer (VCM)

(contributed ~50% of the segment revenue in 9M-22)



Caustic Soda

(contributed ~38% of the segment revenue in 9M-22)



- Sales volumes for VCM & Caustic Soda remained strong except for a dip during 4Q-21, where a large scale planned turnaround was carried out, which affected the sales volumes for the quarter.
- Selling prices for chlor-alkali products rebounded since mid-2020 underpinned by better demand and constructive macroeconomic drivers. However, recent price decline was mainly attributed to lower end-product prices.



CAPEX (2022F – 2026F)

CAPEX (2022F – 2026F) – MPHC share

- Cumulative CAPEX spend of QR 1.5 billion across all segments during 2022-2026;
- QChem/QChem II
 - CAPEX of QR 1.3 billion planned during 2022-2026;
 - Turnaround related CAPEX amounts to QR 343 million;
 - QR 46 million relates to new Furnace Project;
 - NAO tanks upgrade would require QR 31 million of CAPEX;
 - CAPEX relating to Dock jetty project would require QR 65 million;
 - Sulphur Silo project would require CAPEX estimated to be QR 55 million.
- QVC
 - QR 170 million CAPEX is planned for 2022-2026;
 - Power plant upgrade is estimated to require QR 14 million in form of CAPEX.
- The above forecasts do not include CAPEX relating to the new PVC plant recently announced.

CAPITAL EXPENDITURE (Amounts in QAR' millions)						
Project Name	Category	2022	2023	2024	2025	2026
Turnaround related CAPEX	Turnaround	141.6	1.8	12.5	44.6	142.7
New 6th Furnace Project	Investment	41.0	4.8	0.0	0.0	0.0
Dock Jetty Upgrade	Safety	35.7	29.1	0.0	0.0	0.0
NZLD Projects	Environment	12.3	56.9	50.8	37.8	14.1
Sulphur Silo Project	Operational Necessity	0.9	10.0	33.7	10.2	0.0
NAO Tanks Upgrade	Operational Necessity	7.0	5.7	18.5	0.0	0.0
Power Plant upgrade incl. spare parts	Operational Necessity	6.6	7.5	0.0	0.0	0.0
Others		167.0	170.5	94.1	106.2	240.5
GRAND TOTAL		412.1	286.3	209.7	198.8	397.3

Note: The CAPEX figures for the years 2022-26 are based on the 2022 approved budget and business plan, based on the expectations of the market conditions and commodity prices forecasted at the time of finalizing the 2022 budget & business plan.

With current market conditions and commodity price trends, the forecasts as disclosed in the above table cannot be relied on with absolute certainty, where, the actual realization of these figures might significantly differ as compared to these projections, subject to the macroeconomic conditions, including, among other factors, business environment, market dynamics, product prices etc. prevailing in that specific year. The Board may defer, delay or cancel projects based on market outlook and economics.

New PVC Project & QVC restructuring

Key Highlights of New PVC project

First PVC plant in the State of Qatar

Nameplate capacity of **350k mtpa** Suspension PVC

EPC awarded valued at **USD 239 million**

Project **fully integrated** with existing QVC facilities

Construction expected to be completed **by mid-2025**

Source feedstock (i.e., Vinyl Chloride Monomer (VCM)) from the existing facilities

MPHC will fund 55.2% of the project; remaining funding by IQ

QVC restructuring

after expiry of current JVA on 1st May 2026

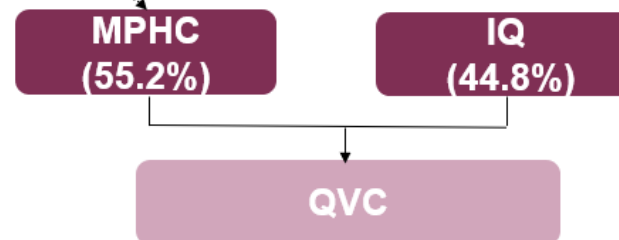
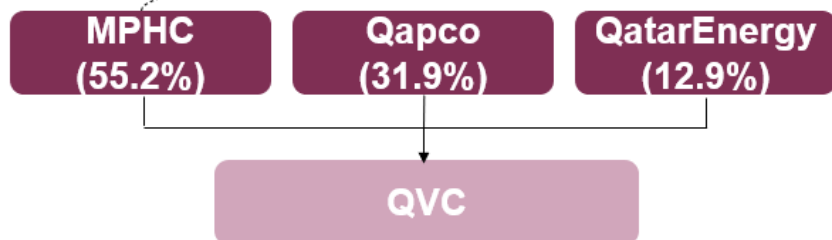


MPHC ownership to remain **unchanged**

Ownership structure of QVC till the expiry of current JVA

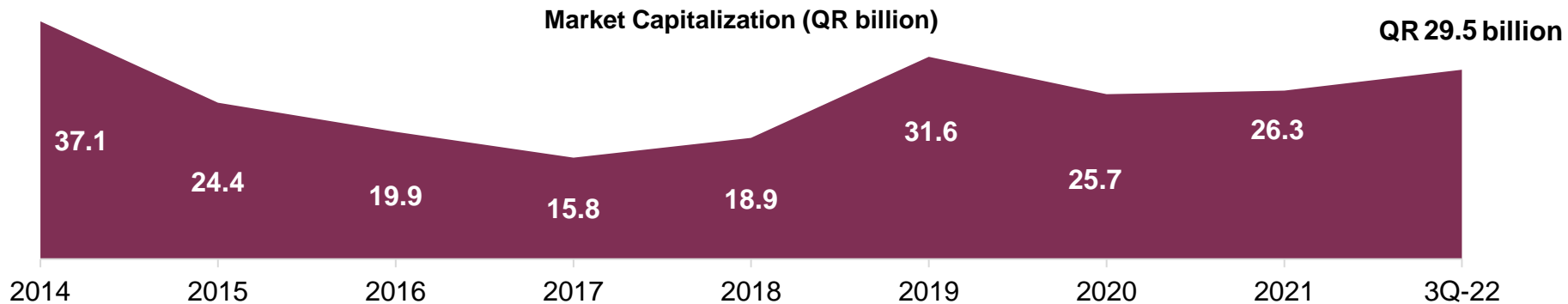
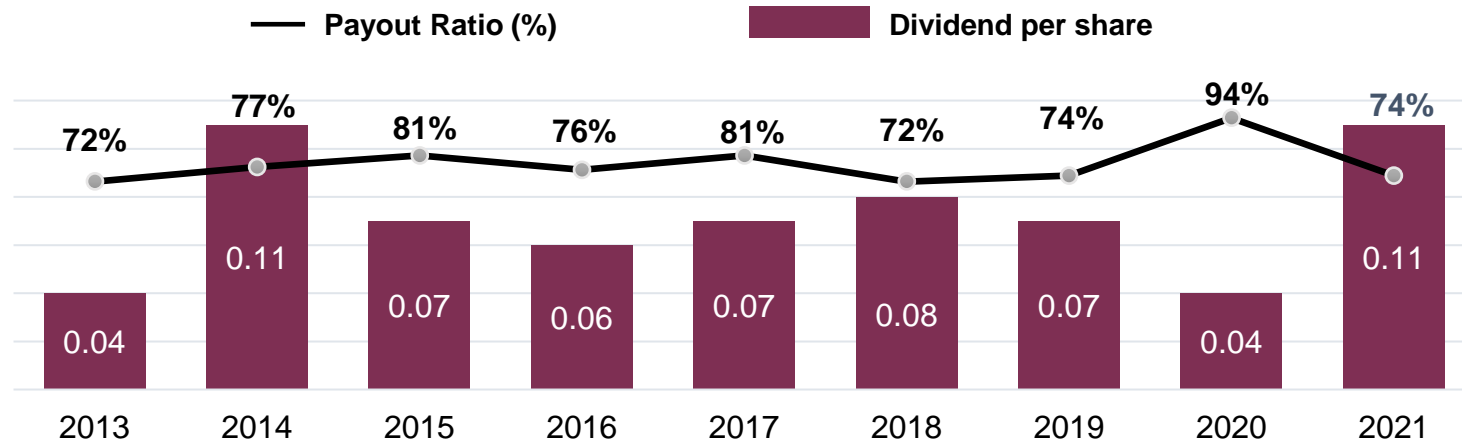
New ownership structure of QVC – with effect from the date of the new JVA

No impact to MPHC's equity ownership in QVC; and MPHC will continue to own the same percentage of shareholding under the new JVA



Dividends & Market Capitalization

Dividends & Market Statistics



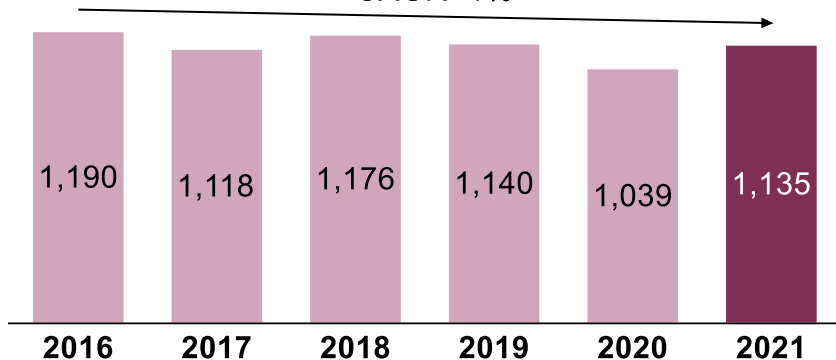
- To date, cash dividends totaling **QR 8.2 billion** have been distributed;
- MPHC was included in **MSCI Index** in May 2019.

Historical performance (2016 – 2021)

Historical performance (2016 – 2021)

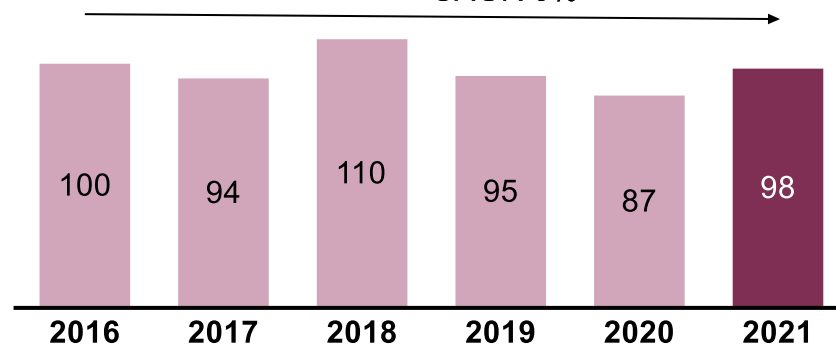
Production (MT'000)

CAGR -1%



Utilization (%)

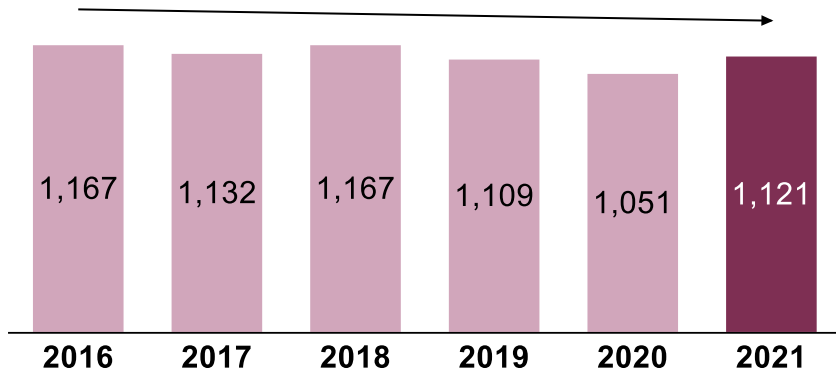
CAGR 0%



Production and sales volumes remained relatively stable ▪ Utilization moved in line with the production levels ▪ Selling prices reflected cyclical movements inline with the global commodity prices linked to macroeconomic conditions

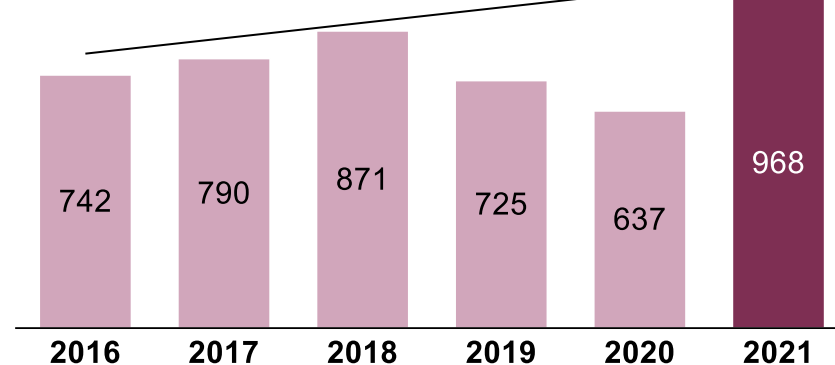
Sales Volume (MT'000)

CAGR -1%



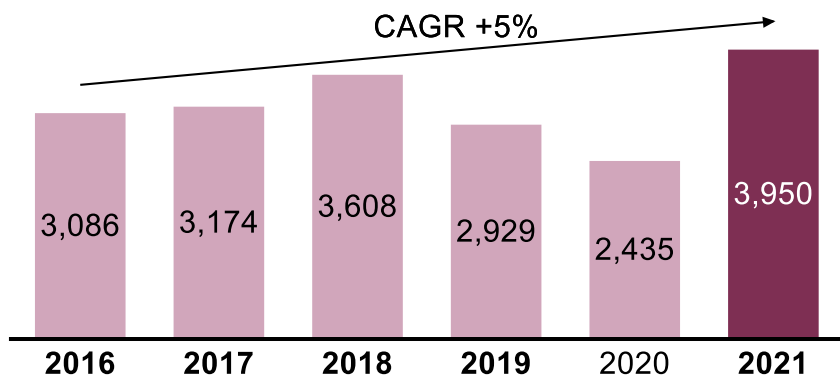
Average Product Price (USD / MT)

CAGR +5%

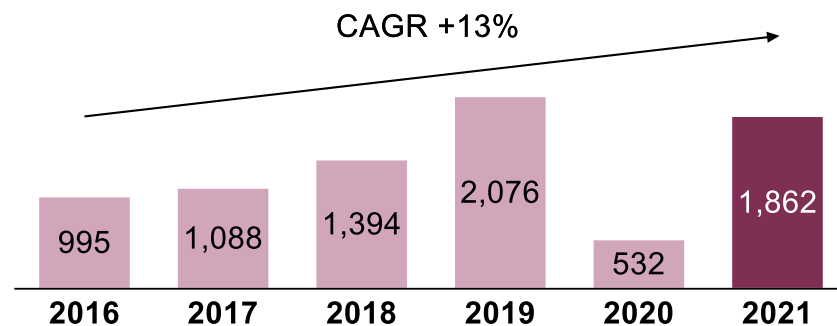


Historical performance (2016 – 2021)

Revenue (Million QR)

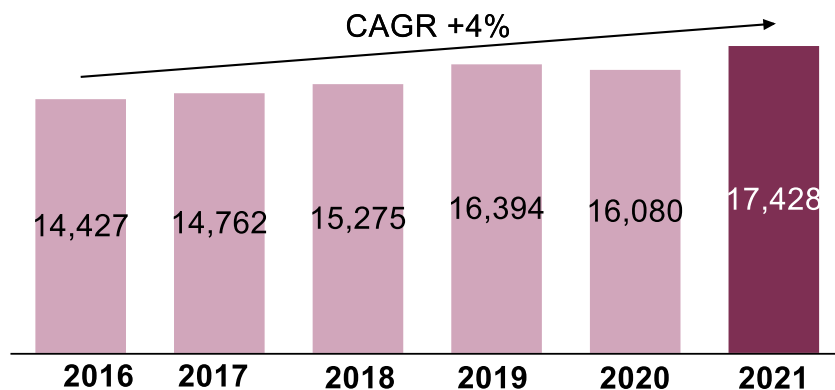


Net Profit (Million QR)

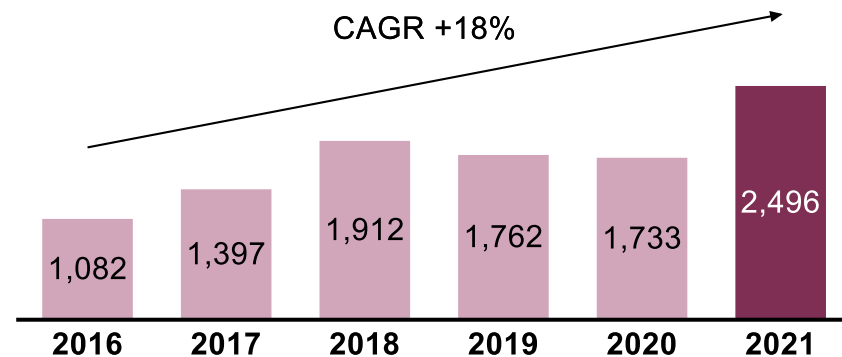


Both revenue and net profit witnessed movements, in line with product prices ▪ Total assets grew marginally, while the cash and cash equivalents remained robust

Total Assets (Million QR)



MPHC Head office Cash & Cash Eqv. (Million QR)



Governance Structure

Governance

Board Structure

- MPHC Board of Directors consists of seven (7) Directors, all of whom were appointed by the Special Shareholder, which is QatarEnergy.
- QatarEnergy appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives.

Governance and Compliance

- MPHC is firmly committed to implementing the principles of good governance set out in the Governance Code for Companies Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA), that are consistent with the provisions of the Company's AoA.
- The Board of Directors always ensures that an organizational framework, that is consistent with the legal and institutional framework of the listed companies, is in place at the Company level. This is achieved through a process of reviewing and updating governance implementation whenever required.

Board Committees

- The Board of Directors established Board Committees and Special Committees to carry out specific tasks. The Board remains liable for all the powers and authorities so delegated. Currently, Board Committees are Audit Committee and Remuneration Committee.

Authorities

- No one person in the Company has unfettered powers of decision. Decision-making process is always done in accordance with the Company's Manual of Authorities and the relevant regulations.

Governance

Remuneration

• Board of Directors

- The Company has developed a periodically revisited remuneration policy for Board members. The policy has fixed component for Board membership and attending meetings and performance-related variable component. The proposed remuneration of Board members shall be presented to the General Assembly for approval.

• Executive Management

- All financial, administrative and head office services are provided by resources from QatarEnergy under a service-level agreement

Disclosure and Transparency

- The Board ensures that all disclosures are made in accordance with the requirements set by regulatory authorities, and that accurate, complete and non-misleading information is provided to all shareholders in an equitable manner.

Shareholders rights

- The Company's Articles of Associations provide for the rights of shareholders, particularly the rights to receive dividends, attend the General Assembly and participate in its deliberations and vote on decisions, tag along rights as well as the right to access information and request it with no harm to the Company's interests.

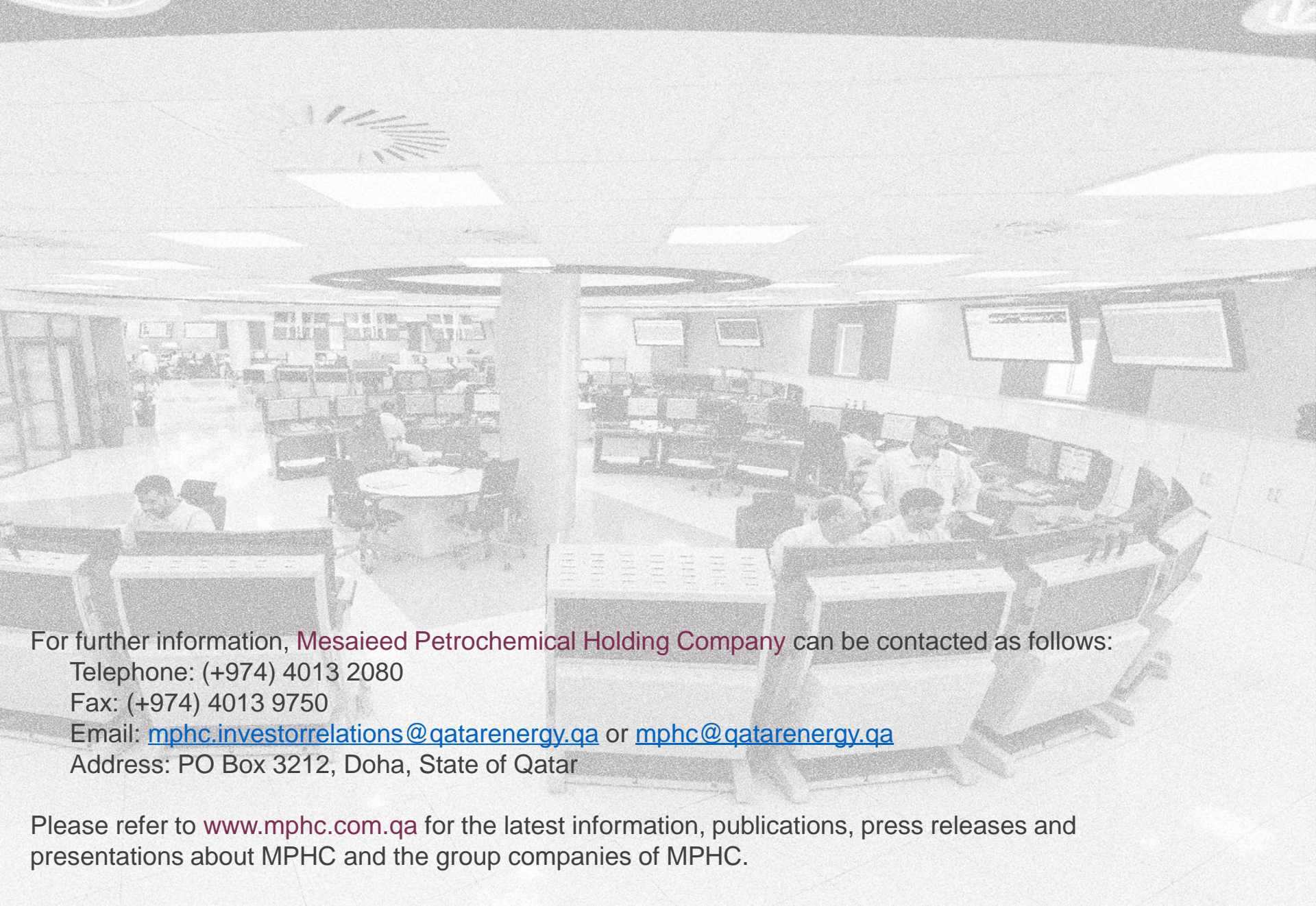
Company's control system

- The Company adopted an internal control system that consists of policies and operating procedures for risk management, internal and external audit, monitoring Company's compliance with the relevant regulations. Clear lines of self-control, responsibility and accountability throughout the Company are therefore set.
- The internal control framework is overseen by the senior Executive Management, the Audit Committee and the Board of Directors.

Sales and Marketing

Sales and Marketing

- Qatar Chemical and Petrochemical Marketing and Distribution Company (“Muntajat”), a wholly-owned company of the government of the State of Qatar, has the exclusive rights to purchase, market, sell and distribute the State’s production of **petrochemical** regulated products.
- Both of the segments’ products are marketed by Qatar Chemical and Petrochemical Marketing and Distribution Company.
- Muntajat integration with QatarEnergy completed during 2020, only related to the operational level, where the marketing team would still be independently managed, hence, this integration will not have any impacts on MPHC.



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Please refer to www.mphc.com.qa for the latest information, publications, press releases and presentations about MPHC and the group companies of MPHC.